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Cassis supports House initiative to end health care penalty

Measure provides relief for businesses and families

LANSING – State Sen. Nancy Cassis today expressed support for an initiative put forth by House Speaker Craig DeRoche to end the state's tax penalty on employer-funded health benefits in the Single Business Tax.

Cassis initiated the package of bills in 2003 that cut the penalty in half by 2007. If approved, the measure would completely eliminate the penalty in 2006, saving businesses \$33 million in the first year.

“The cost of health care continues to escalate year after year, putting Michigan businesses in a tight spot as they attempt to keep up,” said Cassis, R-Nov. “Ending the tax penalty on employer-funded health benefits will allow businesses to spend that money on providing health care for employees instead of sending it to the state.

“As part of a broader tax restructuring plan, eliminating this penalty will improve the tax climate in Michigan – providing relief to struggling businesses and important health care services for families.”

Cassis also noted that when businesses choose not to provide health care for employees, the government typically picks up the tab.

The plan is supported by the Michigan Chamber of Commerce, the Small Business Association of Michigan, and the National Federation of Independent Business.

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